

News

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AVERAGE ANNUAL PAY IN CALIFORNIA, 1999

Annual pay in California averaged \$37,577 in 1999, increasing 6.3 percent over the year, according to the U.S. Department of Labor's Bureau of Labor Statistics. Stanley P. Stephenson, regional commissioner of the Bureau in San Francisco, noted that California's pay level exceeded both the national average (\$33,340) and that for the Pacific division ¹ (\$36,518). (See table 1.)

Average pay in the Pacific division grew at a 6.3 percent pace in 1999 compared to 4.4 percent nationally. In addition to California, pay levels exceeded the nationwide average in two other Pacific states, Washington at \$35,736 and Alaska at \$34,033. In the remaining states, annual pay was \$30,872 in Oregon and \$29,794 in Hawaii. Growth in average annual pay ranged from 8.0 percent in Washington to 0.5 percent in Alaska, respectively, the highest and lowest in the Nation. (See table 1.)

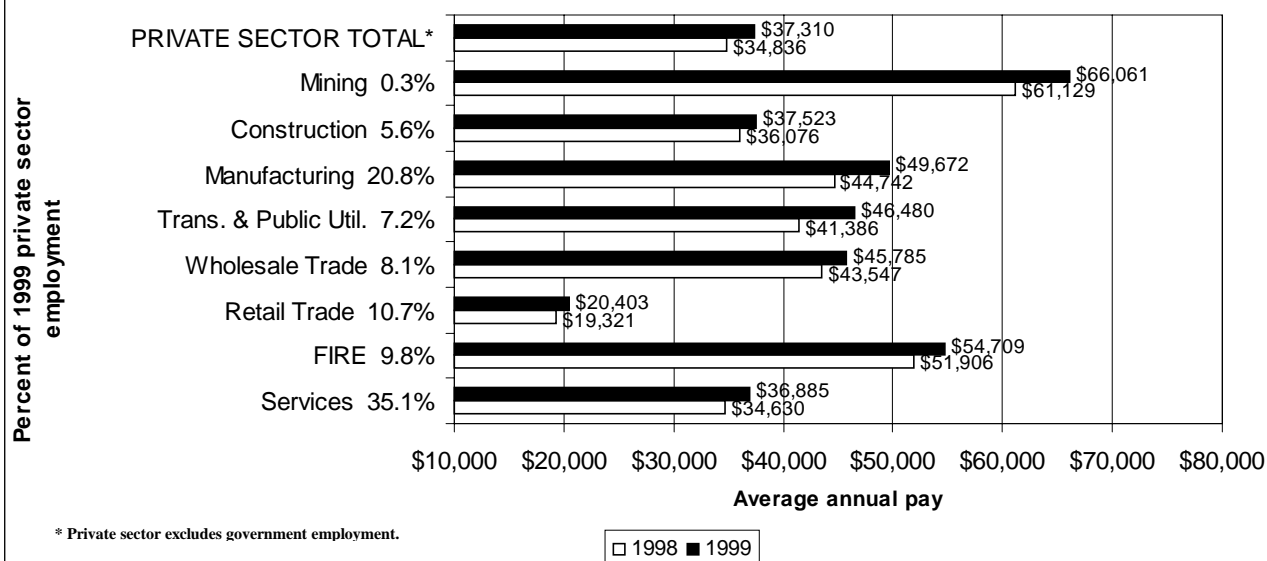
Annual pay data are compiled from reports submitted by employers subject to State and federal Unemployment Insurance (UI) laws which cover 122 million full- and part-time workers nationwide. Average annual pay is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Pay differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year pay changes may reflect shifts in these characteristics, as well as changes in the level of average pay.

Pay in industries

Annual pay in California increased for both private industry workers as well as government employees in 1999. For the private sector, which employs 84 percent of all workers in the State, pay grew by 7.1 percent with gains ranging from a high of 12.3 percent in transportation, communications,

¹ The Pacific division referenced in this release corresponds to the Census definition and is comprised of five states: Alaska, California, Hawaii, Oregon, and Washington.

California average annual pay by industry, private sector 1998 and 1999



and public utilities to a low of 4.0 percent in construction. Mining continued to be the highest paid industry in the State at \$66,061, while retail trade, which includes a high percentage of part-time workers, remained the lowest-paid at \$20,403. Services was California's largest industry division accounting for 35 percent of all private sector employment. Statewide pay levels in the private sector were above the nationwide industry average in all eight divisions. (See table 2.)

Within the government sector, which includes local, state and federal establishments, annual pay in California grew at a 2.2 percent pace averaging \$39,086 in 1999. Despite a slower growth rate than the private sector, government pay exceeded the private industry average of \$37,310. Pay differentials between the public and private sectors can reflect many variables, including work activity and occupational structure. Average pay for government workers in California also exceeded their national counterparts level of \$33,869.

Pay in metropolitan areas

Among California's 25 metropolitan areas², San Jose led the State and the nation in pay averaging \$61,117 in 1999. (See table 3.) San Francisco recorded the second highest pay level in California at \$50,119 and ranked third nationwide. Visalia-Tulare-Porterville had the lowest average annual pay in the State, at \$22,701 and ranked 308th. Five of the metropolitan areas in the State had a pay level above the national metropolitan average of \$34,762.

² Nationwide there are 310 metropolitan areas. The general concept of a metropolitan area is that of a core area containing a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that core. See technical note for criteria used in determining a metropolitan area.

The rate of growth in pay from 1998 to 1999 varied among the State's metropolitan areas with 12 exceeding the nationwide average for all metropolitan areas (4.4 percent). San Jose's pay increase, at 18.9 percent, was the largest in the State and the nation. Pay levels in San Francisco and San Diego were up 9.8 percent and 7.8 percent, respectively. Pay advanced more slowly in Yolo, up 1.1 percent, and Bakersfield, up 2.1 percent.

Pay in large counties

Pay in California's 26 large counties³ ranged from \$61,117 in Santa Clara County to \$22,701 in Tulare County. (See table 4.) Pay levels in 11 of the large counties were above the national average (\$33,340) and seven exceeded the State pay level (\$37,577). Thirteen counties exceeded the national growth rate (4.4 percent) and seven surpassed the statewide over-the-year pay gain (6.3 percent).

NOTE

Data presented in this release will differ from that previously published in the three Average Annual Pay releases issued in November and December of 2000. Pay data in this release is no longer preliminary. In addition, data for New Jersey, which was unavailable at the time the national releases were issued, is now included in all series.

TECHNICAL NOTE

Background

These data are the product of a federal-state cooperative program in which State Employment Security Agencies (SESAs) prepare summaries of employment and total pay of workers covered by Unemployment Insurance legislation. The summaries are a by-product of the administration of state unemployment insurance (UI) programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI. Data for 1999 are preliminary and subject to revision.

Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual pay data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 1999, UI and UCFE programs covered workers in 127.0 million jobs. The estimated 122 million workers in these jobs (after adjustment for multiple jobholders) represent 99 percent of wage and salary civilian employment.

³ A large county is defined as having an employment level of 75,000 or more; there are 305 counties in the United States which meet this criteria.

Covered workers received \$4.232 trillion in pay, representing 94.7 percent of the wage and salary component of personal income and 45.5 percent of the gross domestic product.

Major exclusions from UI coverage during 1999 included most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Concepts and methodology

Average annual pay is computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included. Percentage changes in average annual pay for 1999 were computed using final 1998 data as a base.

The ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations affects average annual pay. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings, because an individual may not be employed by the same employer all year or may work for more than one employer. Year-to-year changes in average annual pay can result from a change in the proportion of employment in high- and low- wage jobs, as well as from changes in the level of average annual pay.

Data in table 2 are presented separately for the private sector and for government. Average annual pay for employment in the private sector is presented by industry division as defined in the 1987 Standard Industrial Classification Manual. Government data include federal, state, and local establishments.

A few covered employers provided insufficient information on the nature of their businesses to assign a specific SIC classification and therefore could not be classified by industry division. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 23, 1998 (OMB Bulletin No. 98-06). The 316 metropolitan areas (310 in the U.S. and 6 in Puerto Rico) are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,000 (75,000 in New England). A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

County definitions are assigned according to Federal Information Processing Standards Publications (FIPS PUBS) as issued by the National Institute of Standards and Technology, after approval by the Secretary of Commerce pursuant to Section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987, Public Law 104-106. Areas shown as counties include areas designated as independent cities in some jurisdictions, and, in Alaska, those designated as census areas where counties have not been created.

Additional statistics and other information

Additional average annual pay data (or Covered Employment and Wages data) is available on the BLS Internet site at <http://www.bls.gov/cewhome.htm>. Data can be accessed in two ways, through Selective Access, which allows quick access to particular items, or via the special request FTP service, which allows access to extensive collection of flat text files. The San Francisco Information Office can provide assistance accessing these files by calling (415) 975-4350.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site <http://www.bls.gov/ro9news.htm>.

BLS issues an annual report that provides data from state UI and UCFE programs. The comprehensive bulletin, *Employment and Wages, Annual Averages, 1999*, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report will be available for sale early this year from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312) 353-1880 from 8 a.m. to 3 p.m. central time.

For personal assistance or further information on Annual Average Pay data as well as other Bureau programs, contact the San Francisco Information Office at 415-975-4350 from 9:00 a.m. to 11:00 a.m. and 1:30 p.m. to 4:00 p.m. pacific time.

Table 1. State average annual pay for 1998 and 1999 and percent change in pay for all covered workers ¹

	Average annual pay		Percent change, 1998-99 ²
	1998	1999	
UNITED STATES	\$31,945	\$33,340	4.4
Pacific division³	34,362	36,518	6.3
Alabama	27,042	28,095	3.9
Alaska	33,847	34,033	0.5
Arizona	29,322	30,525	4.1
Arkansas	24,425	25,371	3.9
California	35,348	37,577	6.3
Colorado	32,248	34,191	6.0
Connecticut	40,895	42,652	4.4
Delaware	33,969	35,157	3.5
District of Columbia	48,462	50,885	5.0
Florida	28,184	28,935	2.7
Georgia	30,856	32,332	4.8
Hawaii	29,036	29,794	2.6
Idaho	24,868	26,044	4.7
Illinois	34,715	36,296	4.6
Indiana	29,108	30,027	3.2
Iowa	26,026	26,953	3.6
Kansas	26,845	28,031	4.4
Kentucky	26,697	27,743	4.1
Louisiana	26,910	27,226	1.1
Maine	25,875	26,887	3.9
Maryland	33,301	34,489	3.6
Massachusetts	37,774	40,352	6.8
Michigan	34,521	35,750	3.6
Minnesota	32,075	33,487	4.4
Mississippi	23,822	24,391	2.4
Missouri	28,907	29,967	3.7
Montana	22,648	23,260	2.7
Nebraska	25,539	26,632	4.3
Nevada	30,203	31,213	3.3
New Hampshire	30,944	32,141	3.9
New Jersey	39,516	41,038	3.9
New Mexico	25,711	26,267	2.2
New York	40,684	42,179	3.7
North Carolina	28,176	29,462	4.6
North Dakota	22,990	23,751	3.3
Ohio	30,392	31,395	3.3
Oklahoma	25,122	25,813	2.8
Oregon	29,544	30,872	4.5
Pennsylvania	31,584	32,696	3.5
Rhode Island	30,156	31,169	3.4
South Carolina	26,161	27,132	3.7
South Dakota	22,751	23,767	4.5
Tennessee	28,462	29,478	3.6
Texas	31,515	32,898	4.4
Utah	26,873	27,895	3.8
Vermont	26,611	27,597	3.7
Virginia	31,373	33,025	5.3
Washington	33,076	35,736	8.0
West Virginia	25,276	26,018	2.9
Wisconsin	28,531	29,607	3.8
Wyoming	24,725	25,647	3.7

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

³ The 5 states comprising the Pacific division are in bold-face type.

Table 2. State and industry average annual pay in the Pacific States for 1998 and 1999 and percent change in pay for all covered workers¹

State and industry ²	Average annual pay		Percent change, 1998-99
	1998	1999	
United States			
Total Private.....	\$31,762	\$33,244	4.7
Mining.....	52,066	54,636	4.9
Construction.....	33,386	34,812	4.3
Manufacturing.....	40,092	41,941	4.6
Transportation, communications, and public utilities.....	39,345	41,786	6.2
Wholesale trade.....	41,831	44,185	5.6
Retail trade.....	16,810	17,602	4.7
Finance, insurance, and real estate.....	48,641	50,910	4.7
Services.....	30,053	31,509	4.8
Alaska			
Total Private.....	32,034	32,319	0.9
Mining.....	79,611	79,654	0.1
Construction.....	45,749	46,611	1.9
Manufacturing.....	31,234	33,727	8.0
Transportation, communications, and public utilities.....	41,294	42,251	2.3
Wholesale trade.....	36,409	35,923	-1.3
Retail trade.....	19,046	19,648	3.2
Finance, insurance, and real estate.....	34,042	34,724	2.0
Services.....	26,805	27,023	0.8

See footnotes at end of table.

Table 2. State and industry average annual pay in the Pacific States for 1998 and 1999 and percent change in pay for all covered workers¹ (Continued)

State and industry ²	Average annual pay		Percent change, 1998-99
	1998	1999	
California			
Total Private.....	\$34,836	\$37,310	7.1
Mining.....	61,129	66,062	8.1
Construction.....	36,076	37,523	4.0
Manufacturing.....	44,742	49,672	11.0
Transportation, communications, and public utilities.....	41,386	46,480	12.3
Wholesale trade.....	43,547	45,785	5.1
Retail trade.....	19,321	20,403	5.6
Finance, insurance, and real estate.....	51,906	54,709	5.4
Services.....	34,630	36,885	6.5
Hawaii			
Total Private.....	27,672	28,163	1.8
Mining.....	51,198	52,402	2.4
Construction.....	43,548	43,623	0.2
Manufacturing.....	31,404	32,035	2.0
Transportation, communications, and public utilities.....	36,708	37,613	2.5
Wholesale trade.....	33,333	34,173	2.5
Retail trade.....	17,325	17,747	2.4
Finance, insurance, and real estate.....	36,204	37,124	2.5
Services.....	27,698	28,082	1.4

See footnotes at end of table.

Table 2. State and industry average annual pay in the Pacific States for 1998 and 1999 and percent change in pay for all covered workers¹ (Continued)

State and industry ²	Average annual pay		Percent change, 1998-99
	1998	1999	
Oregon			
Total Private.....	\$29,051	\$30,457	4.8
Mining.....	36,199	36,286	0.2
Construction.....	35,268	36,041	2.2
Manufacturing.....	38,759	41,226	6.4
Transportation, communications, and public utilities.....	35,765	38,126	6.6
Wholesale trade.....	39,853	42,482	6.6
Retail trade.....	17,452	18,319	5.0
Finance, insurance, and real estate.....	36,971	37,801	2.2
Services.....	25,905	27,309	5.4
Washington			
Total Private.....	32,915	35,945	9.2
Mining.....	42,939	43,614	1.6
Construction.....	33,658	35,622	5.8
Manufacturing.....	42,259	44,486	5.3
Transportation, communications, and public utilities.....	40,304	43,078	6.9
Wholesale trade.....	39,134	40,665	3.9
Retail trade.....	17,912	19,354	8.1
Finance, insurance, and real estate.....	40,695	41,744	2.6
Services.....	35,904	41,649	16.0

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Includes data for industries in addition to those shown separately.

Table 3. Average annual pay for 1998 and 1999 for all covered workers¹ by metropolitan area

Metropolitan area ³	Average annual pay			Ranking ² of areas
	1998	1999	Percent change, 1998-99 ⁴	By level of average annual pay for 1999
All metropolitan areas ⁵	\$33,291	\$34,762	4.4	---
Metropolitan areas in California				
Bakersfield, CA.....	26,478	27,034	2.1	191
Chico-Paradise, CA.....	23,195	24,147	4.1	283
Fresno, CA.....	23,859	24,748	3.7	271
Los Angeles-Long Beach, CA.....	36,571	37,788	3.3	24
Merced, CA.....	22,380	23,499	5.0	297
Modesto, CA.....	26,040	27,009	3.7	193
Oakland, CA.....	38,557	40,994	6.3	12
Orange County, CA.....	35,717	37,452	4.9	25
Redding, CA.....	25,399	26,065	2.6	234
Riverside-San Bernardino, CA.....	27,523	28,340	3.0	157
Sacramento, CA.....	32,984	34,269	3.9	41
Salinas, CA.....	27,279	28,498	4.5	151
San Diego, CA.....	32,210	34,722	7.8	37
San Francisco, CA.....	45,656	50,119	9.8	3
San Jose, CA.....	51,397	61,117	18.9	1
San Luis Obispo-Atascadero-Paso Robles, CA.....	25,853	26,454	2.3	218
Santa Barbara-Santa Maria-Lompoc, CA.....	29,279	30,099	2.8	108
Santa Cruz-Watsonville, CA.....	28,836	31,025	7.6	86
Santa Rosa, CA.....	30,631	32,092	4.8	71
Stockton-Lodi, CA.....	27,011	27,920	3.4	170
Vallejo-Fairfield-Napa, CA.....	28,309	29,678	4.8	121
Ventura, CA.....	31,973	33,978	6.3	44
Visalia-Tulare-Porterville, CA.....	21,826	22,701	4.0	308
Yolo, CA.....	32,025	32,362	1.1	66
Yuba City, CA.....	24,009	25,134	4.7	262

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Ranking are based on a comparison of data for 310 metropolitan areas nationwide. Data for metropolitan areas in all 50 states are included in this release. As a result, data here will differ from that previously published in the national release which was issued before data for New Jersey became available.

³ Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as of June 1999. See Technical Note.

⁴ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

⁵ Totals and rankings do not include the six metropolitan areas within Puerto Rico.

Table 4. Employment and average annual pay for 1999 and 1998-99 percent changes for all covered workers¹ in the 26 largest counties in California.

County ²	Employment			Average annual pay	
	1999	Percent Change, 1998-99 ³	Ranked by percent change, 1998-99 ⁴	1999 ³	Percent change, 1998-99
United States ⁵	127,042,282	2.3	-	\$33,340	4.4
California:					
Alameda, CA.....	673,036	3.5	75	41,077	5.7
Contra Costa, CA.....	329,179	3.5	75	40,823	7.6
Fresno, CA.....	316,530	2.0	162	24,961	3.8
Kern, CA.....	232,389	0.8	243	27,034	2.1
Los Angeles, CA.....	4,040,650	1.8	173	37,788	3.3
Marin, CA.....	110,171	3.5	75	39,272	5.0
Monterey, CA.....	161,009	4.5	38	28,498	4.5
Orange, CA.....	1,345,777	3.9	57	37,452	4.9
Placer, CA.....	98,655	8.2	3	31,719	7.8
Riverside, CA.....	443,528	6.9	6	27,816	3.6
Sacramento, CA.....	558,773	5.1	23	35,211	3.3
San Bernardino, CA.....	508,559	6.9	6	28,798	2.5
San Diego, CA.....	1,157,127	4.2	48	34,722	7.8
San Francisco, CA.....	590,391	2.7	109	51,353	8.4
San Joaquin, CA.....	194,721	4.5	38	27,920	3.4
San Luis Obispo, CA.....	92,986	4.8	31	26,454	2.3
San Mateo, CA.....	358,376	3.8	60	51,422	13.3
Santa Barbara, CA.....	171,833	3.4	81	30,099	2.8
Santa Clara, CA.....	975,154	1.4	201	61,117	18.9
Santa Cruz, CA.....	100,216	0.0	275	31,025	7.6
Solano, CA.....	112,184	4.7	34	29,203	4.0
Sonoma, CA.....	184,711	3.1	98	32,092	4.8
Stanislaus, CA.....	157,873	3.5	75	27,009	3.7
Tulare, CA.....	127,691	1.5	191	22,701	4.0
Ventura, CA.....	275,957	4.2	48	33,978	6.3
Yolo, CA.....	82,892	5.0	25	32,362	1.1

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs. The 305 largest U.S. counties comprise 70.2% of the total covered workers in the nation. Counties in all 50 states are included. As a result, data here will differ from that previously published in the national release which was issued before New Jersey data became available.

² Includes areas not officially designated as counties. See technical note.

³ Percent changes were computed from annual employment and pay data adjusted for noneconomic county reclassifications. See Technical Note.

⁴ Rankings for percent change in employment are based on the 288 counties that are comparable over the year.

⁵ Totals and rankings for the United States do not include data for the one large county in Puerto Rico.